

GOVERNMENT OF ANDHRA PRADESH
ABSRTACT

M/s. A.P.Mineral Development Corporation Limited – Release of Mobilisation Advance to M/s. VLC-SCKC JV, Hyderabad to a tune of Rs.6.00 Crores for additional excavation and removal of Ore & OB at Mangampet Barytes Project – Permitted – Orders Issued – Further Orders - Issued.

INDUSTRIES AND COMMERCE (M.II) DEPARTMENT

G.O.Ms.No. 192

Dated:11-8-2009
Read the following:

1. G.O.Ms.No.183, Ind. & Com.(M.II) Dept., dated:29-7-2009.
2. From M/s. VLC-SCKC JV, Hyderabad, Representation, dated:30-7-2009.
3. From the VC & MD., A.P.M.D.C.Ltd., Note dated:30-7-2009.

O R D E R :-

In the reference first read above, Government have issued orders permitting the Vice Chairman & Managing Director, A.P.Mineral Development Corporation Limited to sanction an amount of Rs.6.00 crores as mobilization advance to M/s. VLC - SCKC JV against the agreement dated:04-7-2008 for additional excavation and removal of Ore & OB at Mangampet Barytes Project on furnishing of Bank guarantee to cover the principal amount of Rs.6.00 crores and the interest at such rate on fixed deposits parked with nationalized bank basing on prevailing highest rate of interest + 2%. The amount so advanced plus interest will be recovered from the running bills of the excavation contractor over a period of 12 equal monthly installments. The interest lost on account of premature withdrawal of fixed deposits for payment of the above advance shall also be recovered from the excavation contractor as per the decision of the Board of Directors of M/s. A.P.Mineral Development Corporation Limited and also subject to certain conditions mentioned therein.

2. In the reference second read above, M/s. VLC-SCKC JV, Hyderabad have represented to Government stating the following that:

- (1) They have requested for sanction of the advance with a condition that they will be providing Bank guarantee for the said amount and the mobilistaion advance can be recovered from their regular bills over a period of two years in 24 installments.
- (2) They have already procured heavy machinery one year back and also added new machinery with the hope of getting mobilization advance and are able to produce Ore & OB as per the agreement conditions.
- (3) As there was considerable delay in getting this permission from the Government, some how purchased the machinery and therefore, they wanted to repay the private loans taken for the purpose.
- (4) Since, they are producing the bank guarantee for the entire amount, the conditions No. 3 & 4 of para -8 of above said G.O. are not warranted. Further, as they have already volunteered to pay the amounts in 24 monthly installments, which were reduced 12 by the Board of M/s. A.P.Mineral Development Corporation Limited, the condition no.1 of the para-8 of the above said G.O. is also not warranted.

[P.T.O]

Hence, they have requested the Government to delete the condition Nos. (i), (iii) & (iv) of para-8 of G.O.Ms.No. 183, Ind. & Com.(M.II) Dept., dated: 29-7-2009 and permit them to repay the mobilization advance in 12 equal monthly installments together with interest, since, they are ready to pay the amounts in 12 equal monthly installments.

3. In the reference third read above, the Vice Chairman & Managing Director, M/s. A.P.Mineral Development Corporation Limited has reported that:

- (a) The company has already purchased heavy machinery one year back. They are capable of excavating the additional quantities with the existing machinery, which was purchased additionally six months back. Hence, condition Nos. iii & iv of the G.O. may not be insisted at this stage.
- (b) With regard to (i) condition when the M/s. A.P.Mineral Development Corporation Limited are stipulating 12 installments, it may be irrespective of their production. Hence, this condition also may not be required.
- (c) Therefore, the request of the company to delete the conditions (i), (iii) and (iv) is a genuine request and the same may be considered.

4. Government have re-examination the matter, keeping in view the remarks of Vice Chairman & Managing Director, M/s. A.P. Mineral Development Corporation Ltd., Hyderabad. Accordingly in partial modifications of the orders issued in para-8 of G.O.Ms.No.183, Ind. & Com.(M.II) Dept., dated:29-7-2009, hereby permit the Vice Chairman & Managing Director, A.P. Mineral Development Corporation Limited to sanction an amount of Rs.6.00 crores as mobilization advance to M/s. VLC - SCKC JV against the agreement dated: 04-7-2008 for additional excavation and removal of Ore & OB at Mangampet Barytes Project on furnishing of Bank guarantee to cover the principal amount of Rs.6.00 crores and the interest at such rate on fixed deposits parked with nationalized bank basing on prevailing highest rate of interest + 2%. The amount so advanced plus interest will be recovered from the running bills of the excavation contractor over a period of 12 equal monthly installments. The interest lost on account of premature withdrawal of fixed deposits for payment of the above advance shall also be recovered from the excavation contractor as per the decision of the Board of Directors of M/s.A.P.Mineral Development Corporation Limited and also subject to the condition that, the agency shall produce an unconditional and irrevocable BG for the Loan sanctioned amount + 2% extra BG towards the interest component.

5. This order issues with the concurrence of Finance Department vide their U.O.No.8765/389/2009, dated:11-8-2009.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

Y.SRILAKSHMI
SECRETARY TO GOVERNMENT

To
The V.C., & M.D., M/s. A.P.Mineral Development Corporation Limited,
Ameerpet, Hyderabad
Copy to:The Public Enterprises Department.
The Finance (Expr. I & C) Department.
P.S.to Secretary to Government (I&C) Department.
Sf/Sc.

"A copy of this order is available on the Internet and can be accessed at the address <http://www.ap.gov.in/qoir>.

//FORWARDED BY ORDER//

SECTION OFFICER